

AMENDED IN ASSEMBLY JULY 5, 2012

AMENDED IN SENATE APRIL 12, 2012

**SENATE BILL**

**No. 976**

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**Introduced by Senator Vargas**

January 19, 2012

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An act to amend Section 22050 of the Financial Code, relating to finance lenders.

LEGISLATIVE COUNSEL'S DIGEST

SB 976, as amended, Vargas. Finance lenders: exemptions.

Existing law, the California Finance Lenders Law, provides for the licensure and regulation of finance lenders and brokers by the Department of Financial Institutions. Existing law exempts specified entities from the provisions of the California Finance Lenders Law.

This bill would add ~~certified development companies~~ *community advantage lenders*, as defined, to the list of entities exempted from the provisions of this law.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 22050 of the Financial Code is amended
- 2 to read:
- 3 22050. (a) This division does not apply to any person doing
- 4 business under any law of any state or of the United States relating
- 5 to banks, trust companies, savings and loan associations, insurance
- 6 premium finance agencies, credit unions, small business investment
- 7 companies, ~~certified development companies~~ *community advantage*

1 lenders, California business and industrial development  
2 corporations, or licensed pawnbrokers.

3 ~~“Certified development company” means a development~~  
4 ~~company participating in the program under Title V of the federal~~  
5 ~~Small Business Investment Act of 1958 (15 U.S.C. Sec. 695 et~~  
6 ~~seq.).~~

7 *“Community advantage lender” means an entity authorized by*  
8 *the United States Small Business Administration to deliver*  
9 *community advantage loans.*

10 (b) This division does not apply to a check casher who holds a  
11 valid permit issued pursuant to Section 1789.37 of the Civil Code  
12 when acting under the authority of that permit, and shall not apply  
13 to a person holding a valid license issued pursuant to Section 23005  
14 of the Financial Code when acting under the authority of that  
15 license.

16 (c) This division does not apply to a college or university making  
17 a loan for the purpose of permitting a person to pursue a program  
18 or course of study leading to a degree or certificate.

19 (d) This division does not apply to a broker-dealer acting  
20 pursuant to a certificate then in effect and issued pursuant to  
21 Section 25211 of the Corporations Code.

22 (e) This division does not apply to any person who makes no  
23 more than one loan in a 12-month period as long as that loan is a  
24 commercial loan as defined in Section 22502.

25 (f) This division does not apply to any public corporation as  
26 defined in Section 67510 of the Government Code, any public  
27 entity other than the state as defined in Section 811.2 of the  
28 Government Code, or any agency of any one or more of the  
29 foregoing, when making any loan so long as the public corporation,  
30 public entity, or agency of any one or more of the foregoing  
31 complies with all applicable federal and state laws and regulations.